

## Message Text

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PAGE 01 MANAGU 04084 310415Z

ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 PA-01 SP-02 SS-15 NSCE-00 SSO-00  
INRE-00 COME-00 EB-08 LAB-04 SIL-01 HA-05 AID-05  
PC-01 TRSE-00 OMB-01 AGRE-00 MCT-02 ACDA-12 SY-05  
SVC-00 /096 W

-----037243 310425Z /14

O R 310308Z AUG 78

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC NIACT IMMEDIATE 7645

INFO USICA WASHDC

AMEMBASSY MEXICO

AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

AMEMBASSY PANAMA

USSOUTHCOM QUARRY HTS CANAL ZONE

AMEMBASSY CARACAS

C O N F I D E N T I A L MANAGUA 4084

E.O. 11652:GDS

TAGS: PINS, PINT, SHUM, ELAB, NU

SUBJUECT: SITREP 4: 30 AUGUST

SUMMARY: THE GENERAL STRIKE CONTINUES AT INCREASED

STRENGTH PARTICULARLY IN THE PROVINCES. INDICATIONS ARE THAT TOMORROW

WILL PROVIDE A GAUGE OF THE STRIKE'S STRENGTH IN MANAGUA AS INDE AND  
CADIN HAVE ISSUED STATEMENTS IN SUPPORT OF STRIKE. FIGHTING  
CONTINUES IN MATAGALPA WITH EXAGGERATED WORD OF THE ROCKET ATTACK  
SPREADING QUICKLY, THROUGHOUT THE COUNTRY. SCATTERED  
DISTURBANCES ARE REPORTED THROUGHOUT THE COUNTRY. END  
SUMMARY.

1. STRIKE: ECON REPORTS THAT MANAGUA COMMERCIAL BUSINESS APPEAR

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PAGE 02 MANAGU 04084 310415Z

TO BE APPROXIMATELY 50 PERCENT CLOSED--ROUGHLY THE SAME  
AS YESTERDAY. THE INDUSTRIAL SECTOR ALSO APPEARS TO BE IN THE  
SAME STATE AS YESTERDAY WITH FIRMS ALTERNATING BETWEEN  
OPERATIONS AND CLOSURE. ONE LARGE INDUSTRIAL FIRM  
REPORTS THAT TWO BOMBS WERE THROWN AT ITS ESTABLISHMENT  
YESTERDAY, BUT WAS OPEN FOR BUSINESS TODAY. INDE HAS  
PUBLICLY STATED ITS "COMPLETE SUPPORT FOR THE STRIKE AND

ITS OBJECTIVES." INDE CLAIMS THAT THE CENTRAL BANK'S MEASURES (REPORTED YESTERDAY) HAVE SOLIDIFIED THE PRIVATE SECTOR. CADIN (CHAMBER OF INDUSTRIES) VOTED OVERWHELMINGLY TODAY TO SUPPORT STRIKE AND OPPOSE CENTRAL BANK MEASURES. HOWEVER, A REPORTER PRESENT AT CADIN MEETING TOLD COMOFF THAT NO MEASURES WILL BE TAKEN AGAINST FIRMS REMAINING OPEN. EMB EXPECTS THAT, WITH CADIN ANNOUNCEMENT, FORE FIRMS MAY CLOSE TOMORROW. PCV'S REPORT THAT ALL BUSINESSES IN GRANADA, ESTELI CONDEGA, LEON AND RIVAS APPEAR TO BE CLOSED. GON-SUPPLIED DATA INDICATE AN INCREASE IN STRIKE IN PROVINCES. ONE EMB LOCAL HAS BEEN TOLD BY HOSPITAL PERSONNEL THAT SOME PRIVATE DOCTORS HAVE BEEN THREATENED AND ARE CONFINING SERVICES TO EMERGENCY CASES ONLY. NICARAGUA SUGAR ESTATES (CENTRAL AMERICA'S LARGEST SUGAR REFINING OPERATION) HAS BEEN CLOSED SINCE MONDAY.

2. FINANCIAL: LOCAL CHANNEL 2 HAS INFORMED THE EMBASSY THAT THREE THOUSAND BANCO NICARAGUENSE AND AFFILIATED COMPANY EMPLOYEES HAVE JOINED STRIKE. REPORTEDLY, GN HAS BEEN DISPATCHED TO BANIC HEADQUARTERS AND EMB HAS RECIEVED UNCONFIRMED REPORTS OF SHOOTING IN AREA. CITIBANK HAS INDICATED TO COMOFF THAT ITS LEGAL STAFF BELIEVES NEW CENTRAL BANK 25 PERCENT RESERVE REQUIREMENT IS ILLEGAL. POLOFF TOLD BY PRESIDENT OF CENTRAL BANK THAT NEW MEASURES DESIGNED TO PREVENT EXCHANGE CONTROLS AND EVALUATION OF CORDOBA. MEASURES  
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PAGE 03 MANAGU 04084 310415Z

APPARENTLY DESIGNED TO KEEP SYSTEM OPERATIVE UNTIL AGRICULTURAL HARVESTS BEGIN TO PRODUCE REVENUES. BANK PRESIDENT TOLD POLOFF THAT NO ADVANCE PAYMENTS FOR AGRICULTURAL PRODUCTS YET RECEIVED DUE TO SITUATION IN NICARAGUA.

3. PRESS: TEN INDEPENDENT RADIO STATIONS HAVE FORMED A "UNITED NEWS PROGRAMS OF NICARAGUA" CHAIN AND ARE BROADCASTING IDENTICAL NEWS PROGRAMS. A VENEZUELA TELEVISION REPORTER CLAIMS HE WAS ARRESTED AND INTERROGATED FOR FOUR HOURS BY THE GN BECAUSE OF A QUESTION HE ASKED SOMOZA DURING YESTERDAY'S PRES CONFERENCE. THE GON CLAIMS THE ENTIRE INCIDENT WAS FABRICATED TO EMBARRASS THE GON.

4. DISTURBANCES: MATAGALPA CONTINUES TO BE THE SCENE OF DISTURBANCES, WITH UNCONFIRMED RUMORS RAPIDLY SPREADING THROUGHOUT THE COUNTRY. THE GON REPORTS THAT THE GN IS CONFRONTED BY APPROXIMATELY 250 YOUNG STUDENTS ARMED WITH RIFLES, CONTACT BOMBS, SHOTGUNS AND PISTOLS. SNIPERS ARE IMPEDING PROGRESS, BUT THE GN REPORTS IT IS IN CONTROL OF THE NORTHERN

PART OF THE CITY AND MOVING TOWARD THE SOUTH.  
UNCONFIRMED REPORTS OF AIR-TO-GROUND ROCKET AND MACHINE-  
GUN FIRINGS ARE DENIED BY THE GON--EXCEPT FOR ACTIVITY  
REPORTED IN MANAGUA 4070. THE GON SAYS ALL REINFORCEMENTS  
DISPATCHED HAVE BEEN OBTAINED FROM AREAS NEARBY  
MATAGALPA AND NO TROOPS HAVE BEEN SENT FROM MANAGUA.  
REPORTS OF LOOTING IN DIRIAMBÁ HAVE REACHED EMB. THE  
SITUATION THERE REMAINS TENSE, WITH ROADBLOCKS,  
BURNING TIRES, ETC. BEING REPORTED. AN UNCONFIRMED  
REPORT RECEIVED BY AID INDICATES THAT TWO PEOPLE HAVE  
BEEN KILLED IN RIOTING IN DIRIAMBÁ.

5. POLITICAL: THE "PROLETARIAN TENDENCY" FACTION OF  
THE FSLN HAS ISSUED A COMMUNIQUE SUPPORTING THE STRIKE,  
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PAGE 04     MANAGU 04084 310415Z

AS HAS THE PCN. PEACE CORPS REPORTS THAT, IN CONDEGA,  
ALLEGATIONS BEING MADE OF U.S. ORIGIN OF ROCKETS USED  
IN MATAGALPA BY GN. SOMOZA, IN YESTERDAY'S PRESS  
CONFERENCE, FIRMLY AND UNEQUIVOCALLY REITERATED HIS  
INTENTION TO REMAIN IN OFFICE UNTIL 1981. THE TWO  
AID LOANS (NUTRITION AND EDUCATION) WERE SIGNED  
TODAY. THUS FAR, LOCAL REACTION HAS BEEN LOW KEY DUE TO  
VIGOROUS EMB BACKSTAGE REPRESENTATIONS AND  
LOBBYING DIRECTED TOWARD GON AND OPPOSITION.  
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## Message Attributes

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**TAGS:** PINS, PINT, SHUM, ELAB, NU  
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